

DRAFT

Town of Weare Finance Committee

Minutes of the Meeting of February 10, 2010

This meeting of the Finance Committee was held in Conservation Committee Room of the Town Office and was called to order by the chairman at 7:10 p.m.

Present were Janet Benson, Gregg Elwood, Neal Kurk, Brenda Lashway (chairman), John Rauscher, Ike Shepard, Jeff Spring and Mark Sullivan. Also in attendance were selectmen Tom Clow, chairman, Keith Lacasse and Donna Osborne.

1. **Discussion with selectmen:** the chairman recognized the selectmen's request to discuss the Finance Committee's budget recommendations. The selectmen voiced several concerns, including the element of advocacy in some of the Committee's recommendations, the wording of the introductory language, duplication in the explanation of warrant articles in both the selectmen's and the Committee's commentary and incorporating the Committee's recommendations into the selectmen's ballot mailer. After some frank discussion, Gregg moved, seconded by Neal, (1) to make several changes in the language of the introductory paragraph, which are incorporated in the revised 2010 Report attached to these minutes; and (2) to incorporate the 2010 Report, as revised, into the selectmen's ballot mailer in a format for both the town and school districts' warrants whereby the Committee's introduction, explanation and recommendation, including the tax impact of both a yes and a no vote, follow the selectmen's or school board's recommendation, warrant article by warrant article, and the so-called "description" column is eliminated. The motion carried, 8-0.

2. **Minutes:** John moved, seconded by Ike, to approve the minutes of the January 20, 2010, meeting. The motion carried, 7-0-1. John moved, seconded by Jeff, to approve the minutes of the February 4, 2010, meeting. The motion carried, 8-0.

3. **Adjournment:** after a discussion of the need for an early start to deal with next year's budgets, and the process and philosophy for doing so, the Committee adjourned at 8:45 p.m.

Respectfully submitted,

Neal M. Kurk, Secretary

Weare Finance Committee

2010 Report

This report to voters contains the recommendations of the Finance Committee on all town and school district warrant money articles.

The Finance Committee believes that, due to the continued uncertainties created by the difficult national, state and local economies, and to the loss of jobs, hours of work and pay reductions that many residents of Weare suffer, increased property taxes in 2010 are not affordable. The Finance Committee voted to support and recommend only those budgets and warrant articles that in total result in a flat tax rate -- that is, no tax rate increase to Weare property taxpayers. In an attempt to meet this goal, the Finance Committee recommends only the most crucial of the warrant articles. Additionally, our recommendations assume that, as in times past, the selectmen will use no less than the amount of the 2009 budget surplus, approximately \$123,000, to offset taxes rather than increase the undesignated fund balance (accumulated surplus).

If voters adopt the following recommendations, the Finance Committee estimates that property taxes in 2010 will be at the rate of \$16.72 per \$1,000 of assessed valuation, up \$0.12 (or less than 1%) over the 2009 rate of \$16.60.

Despite our best efforts, we were unable to achieve our objective without adversely impacting critical town and school services.

A. Town of Weare Warrant 2010

Description	Finance Recommendation	2010 Tax Impact		
		No vote	Yes vote	Your vote
Article 6: operating budget \$4,711,254 (If this article is defeated, the default budget will be \$4,563,489.	Not recommended (vote: 8-1) While the selectmen were prudent, their proposed operating budget is up \$195,095 (or 4.3%) over last year's <u>spending</u> and up \$71,451 (or 1.5%) over last year's <u>budget</u> . This is not affordable in the midst of a recession. The default budget represents a \$57,330 increase (or about 1.3%) over last year's <u>spending</u> .	\$2.18	\$2.34	
Article 7: capital	Not recommended (vote: 9-0)	\$0.00	\$0.29	

reserve funds These funds are used to replace worn out equipment and other major assets used by town departments. Given the present economic situation, this expenditure should be deferred.

\$270,200

Description	Finance Recommendation	2010 Tax Impact		
		No vote	Yes vote	Your vote
Article 8: town roads \$400,000, with the state paying \$261,430 and taxpayers paying \$138,569	Recommended (vote: 9-0) The state contribution lowers the town's cost for an essential service that is vital, even in tough times.	\$0.00	\$0.15	
Article 9: hazard-our waste day \$6,000	Recommended (vote: 9-0) Personal health and a safe environment make it essential to properly dispose of hazardous waste.	\$0.00	\$0.01	
Article 10: retirement reserve fund for town employees \$30,000	Recommended (vote: 9-0) This fund is to pay accrued vacation and holiday pay to town employees when they leave town employment. While it can be done through the operating budget at the time an employee retires, it is more prudent to pay into this account annually as the obligation is created.	\$0.00	\$0.03	
Article 11: per diem EMTs \$90,000	Recommended (vote: 8-1) Adopting this article will provide the town two EMTs for ten hours per day, five days per week, at a cost of \$15 per hour or about \$90,000 per year. There will be no tax impact now, as the money will come from the newly-created revolving fund. But there will be in the future. About \$140,000 per year goes into the existing equipment fund from insurance recoveries when a person is transported by ambulance. Using \$90,000 of the \$140,000 for EMTs means that from now on only about \$50,000 per year will go into the equipment fund. So there will be less in that fund in the future when it comes time to replace an ambulance, fire truck or	\$0.00	\$0.00	

similar equipment. At that time, our tax rate will go up more than it otherwise would.

Please note that currently Weare lacks adequate ambulance coverage on weekdays and relies on other towns to cover our needs.

Description	Finance Recommendation	2010 Tax Impact		
		No vote	Yes vote	Your vote
Article 12: police contract \$13,918 (reduced by a selectmen's estimated savings of \$10,000)	Recommended (vote: 7-2) This is a one-year contract providing for a 3.5% step increase and adding a ninth step to an eight-step scale. The contract also reduces holiday pay from 3.5 times base pay to 2.5 time base pay and reduces health benefits cost by matching those reduced benefits likely to be provided to other town employees. These two items are likely to more than offset the increased cost to taxpayers. Please note that, under a new state law, if this contract is approved, the 3.5% step increase will be paid each year for up to nine years even if another contract is not signed.	\$0.00	\$0.01	
Article 13: cemetery improvements \$20,000	The funds for this article come from an existing trust fund and do not affect the tax rate.	\$0.00	\$0.00	
Article 14: fireworks \$8,000	Not recommended (vote: 9-0) Fireworks are a luxury that would pose an unnecessary burden on some residents. If desired, their cost can be covered by voluntary contributions.	\$0.00	\$0.01	
Article 15: library custodial services \$6,743	Not recommended (vote: 8-1) While important, the Committee believes these services could be provided by staff during slower periods or deferred.	\$0.00	\$0.01	
Article 16: 250th celebration	The funds for this article come from an existing trust fund and do not affect the tax rate.	\$0.00	\$0.00	

\$7,000

**Article 17:
licensed
forester**

\$20,000

The funds for this article come from an existing trust fund and do not affect the tax rate.

\$0.00 \$0.00

B. Weare School District Warrant 2010

Description	Finance Recommendation	2010 Tax Impact		
		No vote	Yes vote	Your vote
Article 3: operating budget \$12,947,669 (If this article fails, the default budget will be \$12,816,295.)	Recommended (vote: 6-3) The proposed operating budget is \$131,374 <u>more</u> than the default budget and would increase taxes by \$0.16 per \$1,000 compared to the default budget. The proposed budget is \$312,566 (or 2.5%) higher than the budget that passed last year; while the default budget is \$156,192 (or 1.2%) higher. Over the past five years, projected student population has <u>decreased</u> by more than 12% and the budget has <u>increased</u> by more than 32%. Weare's per pupil expenditures are the second lowest in the state. Nonetheless, the Finance Committee recommends the operating budget because the additional money is necessary to provide an adequate education for our children.	\$5.30	\$5.44	
Article 4: teachers' contract \$204,135 (2010) \$303,851 (2011) \$265,849 (2012)	Not recommended (vote: 6-3) This is a three-year contract providing for a both a 3% cost-of-living adjustment (COLA) and a 2.5% step increase for a total increase of 5.5% in each of the first two years, and a 3.3% COLA and a 2.5% step increase in the third year, for a total of 16.8% over three years. In addition, performance pay will be awarded in some years. The cumulative cost over the term of the contract is almost \$1,500,000. The Finance Committee believes that the increases contained in this contract are excessive given the current economic	\$0.00	\$0.22	

climate.

Please note that, under a new state law, if this contract is approved, the 2.5% step increases will be paid each year after the end of this contract even if another contract is not signed.

Description	Finance Recommendation	2010 Tax Impact		
		No vote	Yes vote	Your vote
Article 6: support staff contract \$33,605	Recommended (vote: 9-0) This is a one-year contract that provides for a 1% COLA plus an average 2.33% step increase for a total increase of 3.33%. The Finance Committee believes that the Increases contained in this contract are reasonable and sustainable. Please note that, under a new state law, if this contract is approved, the 2.33% step increase will be paid each year after the end of this contract even if another contract is not signed.	\$0.00	\$0.04	
Article 8: maintenance fund \$25,000	Not recommended (vote: 9-0) Money put aside from surplus funds in anticipation of repairs. In tough times, the Finance Committee believe this funding should be deferred.	\$0.00	\$0.03	
Article 10: mixed busing \$160,000	Not recommended (vote: 8-1) Should Article 9 pass, the money to pay for it should be found within the budget.	\$0.00	\$0.17	

C. John Stark Regional High School District Warrant 2010

Article 3: operating budget \$14,024,427. (If this article fails, the default budget will be \$14,091,578.)	Recommended (vote: 9 -0) The proposed operating budget is \$67,151 <u>less</u> than the default budget. Therefore, the proposed budget would have a .05 cent lower tax impact. The proposed budget is \$671,011 (or 5.0%) over the budget that passed last year. The default budget is \$738,162 (or 5.5%) over the budget that passed last year. While both the proposed and the	\$5.98	\$5.93	
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default budgets are high given the economic times and the decreasing student population, we are afforded two choices, the operating or the default. We recommend the operating budget because of its lower tax impact.

Description	Finance Recommendation	2010 Tax Impact		
		No vote	Yes vote	Your vote
Article 4: support staff contract \$18,599 (2010) \$47,131 (2011) \$53,128 (2012)	Not recommended (vote: 9-0) This is a three-year contract that provides for a 3.5% step increase in each year of the contract, for a total increase of 10.5% over the three years. The Finance Committee believes that this level of increase is unsustainable. Please note that, under a new state law, if this contract is approved, the 3.5% step increases will be paid each year after the end of this contract even if another contract is not signed.	\$0.00	\$0.01	
Article 6: roof replacement 50% of any surplus funds up to \$20,000	Not recommended (vote: 6-3) Money put aside from surplus funds in anticipation of repairs. In tough times, the Finance Committee believes this spending should be deferred.	\$0.00	\$0.01	
Article 7: building and grounds 50% of any surplus funds up to \$20,000	Not recommended (vote: 7-2) Money put aside from surplus funds in anticipation of repairs. In tough times, the Finance Committee believes this spending should be deferred.	\$0.00	\$0.01	
Article 8: land lease \$1,000	Recommended (vote: 7-2) Money set aside to investigate land purchase should any become available.	\$0.00	\$0.0006	

Weare Finance Committee

Brenda Lashway, chairman
 Janet Benson
 Gregg Elwood

Neal Kurk
Dianne McDowell
John Rauscher
Ike Shepard
Jeff Spring
Mark Sullivan

February 6, 2010
